STATE OF THE CITY

BEST PLACE TO LIVE/TAKE CHARGE OF FUTURE

Thank you for coming to the 28th State of the City Address. And thank you to our hosts, Cindy Roth and the Chambers of Commerce. Kudos to the best Chamber in the State of California.

Before I begin, I also want to acknowledge and thank the most important partner in my life, Marsha, my wife of 43 years!

Today is a time to recognize and celebrate Riverside as a great place to live. In 2005, Riverside is an exciting, diverse, urban, and successful city! We have come of age. As the Preamble to the General Plan says, "We are on the brink of greatness."

Riverside is on the map of Southern California. Two examples--Trumpeted in <u>Sunset</u> magazine, the Festival of Lights was covered by five Los Angeles TV stations. And in December, KTLA (Channel 5) televised their morning show from downtown Riverside. Here is a brief excerpt....

NEVER BEEN BETTER

When comparisons are made with the past 25 years, life in Riverside has never been better than in 2005.

Take a quick tour of our major shopping areas--Galleria, Plaza, Canyon Crest, Mission Grove, Canyon Springs, and University Village. Or drive down Arlington, Magnolia, or Van Buren. Retail choices are increasing, and strikingly so. For example, count the number of Starbucks--what is your number? My count is eleven. Go to our major bookstores, Village Books, Barnes & Noble, and soon Borders. I especially applaud the opening of the Plaza and the expansion of the Galleria. There's never been a better time to SHOP RIVERSIDE.

As to restaurants in 2005, the pamphlet in your bag highlights the 25 best places to eat in Riverside. Selected by Allan Borgen, the Inland Empire's leading food critic, it tells the story, for the second year, of where to go in Riverside. Take a look at the Inland Empire magazine's best places to eat--there are more Riverside restaurants selected than for any other city.

A statistical profile emphasizes the same judgment, it is the best of times in Riverside. Sales taxes are at the highest levels. Building permits are at their highest numbers. Real estate values are at their highest levels. Students taking coursework in higher education are at their highest numbers. We have hit historic highs in income and number of jobs. Part One Crimes are, by ratio, at their lowest numbers. Take your pick of index measures; it has never been better!

City Hall is working, and working well. I offer kudos to Tom Evans, Interim City Manager,

and the Department heads of our City. Bill Mathis, a highly respected consultant to California cities, stated, "I work with 45-50 city staffs in California and your executive staff is in the top 10%" Specific congratulations are in order for Dave Carlson, 2004 California Fire Chief of the Year and for the Building and Safety Division as the California 2004 Building Department of the Year. Would all our City's Department heads please stand and receive our applause.

Despite current budget stresses, the City has substantial reserves and the City Manager and Council have identified ways both to increase revenues and to reduce expenditures. To lead the search for the next city manager, the Council hired Norm Roberts, judged by many as the best in business. The final choice by the Council should be announced no later than than end of March.

While I could point to many City Hall success stories in 2004, one such story illustrates investment, priorities, and teamwork. The entry way to downtown off 60 at Market has been undistinguished at best, and embarrassing at worst. No longer. It now makes the statement of a city which invites visitors and shows its promise. Thank you to Michael Beck for his leadership and to Mosche Silagi for building two class A office buildings.

GREAT PLACE TO LIVE

Today let's recognize, and celebrate, Riverside as a great place to live.

There are about 18,000 towns, cities, and regions in this country. In April, Riverside was selected as one of America's 30 most livable communities. Every ten years, the Partners for Livable Communities makes their choices. Six California cities were selected: San Diego, San Jose, Sacramento, Santa Rosa, Ventura, and Riverside. The selection criteria used by their Board of Directors were summarized as follows: "Those American cities that have taken leadership efforts toward preparing themselves for the creative economy, while focusing on quality of life issues and amenity-based economics." In the words of our Governor, "These California cities have been acknowledged because they have created livable communities that are good for business...and are people-friendly."

When we received the award in Washington at the National Press Club Auditorium, I offered these comments....

Let me identify the strengths that define us as a livable community: besides a high level of social capital, they are dynamic neighborhoods, vibrant arts and culture, expanding university community, lively downtown, diversity, community of faith, citrus history, open spaces, and a wealth of partnerships and nonprofits. Each is important; together they explain why Riverside is one of America's most livable communities.

Overall, a safe place is a necessary requirement for a livable community. I salute the Riverside Police Department for its partnership with the community and the effectiveness of its services. Kudos to Chief Russ Leach and the men and women of the RPD. We are well on our way, according to Attorney General Bill Lockyer, to becoming "a model police agency."

One best practice example is the Crime Free Multi Housing Program. It is the best in the country. Over 335 apartment complexes participate by meeting rigorous standards. The differences, before and after, are striking. In 2004, Officer John Start was recognized as the Crime Free Coordinator of Year as well as the Officer of the Year for Riverside County. In

April, Riverside will host the 7th Annual International Crime Free Conference.

Kudos to the Riverside Art Museum and its Executive Director, Daniel Foster, for in 2004 they held a remarkable number of noteworthy exhibitions, programs, and events--my wife and I especially liked "Off the Wall" where the works of many local artists were on sale. The Art Walk on First Thursday also began in 2004, starting a tradition of coming to downtown to eat at restaurants and to experience different forms and places for arts and culture.

Kudos to the start in 2004 of the Downtown Wireless Mall, led and managed by SmartRiverside. It provides free Internet access to anyone with a laptop computer or handheld PDA. And in 2004, we were awarded a \$15,000 grant by SBC to expand wireless services.

Kudos also to our tradition of achievement and excellence in sports, brilliantly highlighted each year by the Riverside Sport Hall of Fame. In 2004, Joanna Hayes won gold in the high hurdles at the Olympics, the only American woman to so medal in the track and field competition. Kudos likewise to her high school mentor Charles Leathers, the track coach at North. Leathers' girls teams have won since 1995 seven CIF Championships and most significantly, three State Championships!

PERSONAL CELEBRATIONS

2004 was a year that I personally will long remember and highly value.

I had the unique privilege and honor to serve as President of the League of California Cities. It was a year when Proposition IA passed, by a 84% yes vote. Local revenues are now separated from state revenues; no longer can the State use local government as its ATM machines. Putting a coalition together, developing a ballot measure, collecting signatures, working with the Governor, negotiating with the legislature, securing support from diverse interests, and raising major campaign dollars was the most complex, difficult, and in the end satisfying political quest I have ever experienced. Every week was another Robert Ludlum plot. I will not forget the dozen or so conversations with the Governor, over the phone and in person. Many people were central to its passage; however, I would personally like to thank our Assembly members, John Benoit, Russ Bogh, and now State Senator Bob Dutton for their extraordinary help. In addition, my thanks to Supervisor John Tavaglione for his cooperative leadership, Dave Willmon for his organizing work, and Mike Williams for his fund raising genius and skillful requests. Also, kudos to SEIU's petition signatures and Firefighter President Tim Strack for his participation at varied events in Riverside and in Sacramento.

As Mayor, I focused my policy attention in 2004 primarily on three overriding objectives: economic development, quality of life, and building an inclusive community. See the Chamber Program for a commentary on major 2004 accomplishments and strategies.

2004 saw the completion and Council's approval of two outstanding task force reports. The Santa Ana River Task Force, chaired by Tom Evans, presented a vision that has become the City's action agenda for the River. And the Senior Housing Task Force, chaired by Michael Grabendike, provided a conceptual blueprint addressing the needs in Senior Housing.

In 2004, kudos are in order for the Mayor's Youth Advisory Board and the Mayor's Commission on Aging. The Youth Board sought and received Council approval to

become a city-wide Youth Council. With effective support from Connie Leach, the Council has taken up a variety of activities, ranging from setting up a Youth Court to encouraging greater voter turnout in the 2004 elections. And the Commission on Aging has been responsible for an increasing number of initiatives, such as the Senior Housing Task Force and Annual Senior Awards. In 2004 Riverside was the first city in the nation to be accredited as a "Senior Friendly Community."

In January, 2004, the Council adopted an International Strategic Plan. Its objectives are "to obtain economic benefits, educational development, and cultural opportunities for residents and businesses of Riverside." In early fall, Council member Nancy Hart and I led a Trade Mission that visited Riverside's Asian Sister Cities. Riverside received a national 2004 Innovation for Municipal Cooperation Award for its work with Ensenada, one of two Sister Cities in Mexico. The newly elected Mayor of Ensenada has visited Riverside twice and Council members Dom Betro and Frank Schiavone attended his inauguration in December. We look forward to sharing resources and to business exchanges with Ensenada.

To enhance and protect the quality of our lives, I have made a major personal commitment to improving the air we breathe in Riverside. For eleven years, I have served on the South Coast Air Quality Board, representing the cities of Riverside County. For the record, 2004 was the best year yet for clean air in the past 40 years. Noteworthy, the City won a 2004 Clean Air Award from the South Coast District for Model Community Achievement. And in August, I was appointed by the Governor to the California Air Resources Board.

Finally, I take pride in signature initiatives that offer access to City Hall. In 2004, with the help of Rita Norton, we surpassed 100 Mayor's Nights Out. Each month we go to one of the City's 26 neighborhood communities. We bring City Hall to our neighborhoods, listening to requests, and then making good things happen. Last night we went to the Ramona Neighborhood for our 104th Mayor's Night Out.

Twice a month, we visit a business in Riverside. The count is now over 250. It is a time for a business to discuss concerns, while also providing a way for City Hall to solve problems. In 2004, Riverside's Visitation Program received the League of California Cities' Helen Putnam Award for effective advocacy for business retention and expansion.

These and other related initiatives led to my selection by the International Economic Development Council for the 2004 Leadership Award for Public Service. As an organization I highly respect, I was deeply honored by this recognition at their annual meeting in St. Louis.

TAKING CHARGE OF OUR FUTURE

In 2005, Riverside is the capital city of the Inland Empire. We want to be the best place to do business, yet even more importantly, we want to be the best place to live. We are in competition, constant and serious, with other cities and other regions, both for business and for residents. How do we excel as a great place to work and to live?

The answer is that we compete, and succeed, by taking charge of our future.

Taking charge translates into focus. In the words of Ralph Waldo Emerson, "Focus is the secret of strength in politics, in war, in trade, in short in all management of human affairs."

City Hall's immediate focus should be the goals of the Council: Economic Development,

Annexation, Transportation/Transit, Neighborhoods, and Community Livability. Many, many good things are happening. For example, as to the goal of Economic Development, the Council has matched its first priority with resources, approving a major staff expansion. We look forward to John Husing's Fourth Strategic Economic Development Plan for the City. We welcome the appointment of Belinda Graham as the City's Development Director. We thank the Belo Corporation for preparing to construct the City's largest new office building in the last 20 years. Kudos to the leadership of Frank Schiavone in the DHL decision to come to March. Overall, economic times are great.

The second focus should be on the City's General Plan, up for approval in the spring by the Council. From my perspective, it is the best and most important General Plan in the City's 131 year history. Thank you to our Planning Director Ken Gutierrez and his staff for their great work. This General Plan must not be adopted, and then filed. There should be bimonthly workshops on its twelve elements. There should be an annual review. It should be tied to the Capital Improvement Process. In brief, the Plan should frame the overall policy and strategic focus for the City of Riverside.

The third and last focus must be regional leadership. We live and work, not in walled cities, but rather in regions. The 21st century will be the century of regions. Riverside and its political leadership must play a major role in defining and shaping regional choices.

2005 should be the Year of Goods Movement--it is time to move from talk and study to action and solutions. The ports of LA and Long Beach should be viewed as Southern California ports. We know their importance. We know the problem. We agree on solutions. It is a rally time! Riverside and the Inland Area must join together on an agenda for Southern California that includes intense federal lobbying to fund grade separations for cities east of the Alameda Corridor.

The Santa Ana River is 96 miles from crest to coast. It is an invaluable resource, for the environment and for recreation. It is time to set up a Santa Ana River Conservancy, created and sponsored by the cities and counties along the River. The promise of the Santa Ana River deserves our best efforts.

Also, the City of Riverside must strongly support Western Riverside Council of Government's TUMF program as one key way to raise revenues to construct needed transportation corridors and their regional infrastructure. At the same time, we strongly advocate capping fees for office buildings. Riverside and other WRCOG cities should be able to compete for good jobs in the office competition with cities in San Bernardino as well as other nearby counties. This is our future!

RECOMMENDATIONS FOR 2005

There are specific proposals and/or recommendations that I will work to make happen in 2005. They are keyed on the five vision themes of the General Plan: How We Work, Play, Live, Get Around, and Learn. They will increase our ability to compete and to distinguish Riverside as a great place to live in the 21st Century.

HOW WE WORK

How We Work--A primary economic development objective is the new economy and high paying jobs. The new economy is based on technology related skills and if Riverside is going to compete in this new economy, our job base must include a vibrant high tech

sector.

In October, 2004, the Council enthusiastically adopted the eight recommendations of the High Tech Task Force, chaired by John Tillquist. The new Executive Director of SmartRiverside will be City Hall's key leader in identifying high tech opportunities.

I also strongly agree with the Task Force call that the efforts of the City need coinciding efforts by our universities--and especially UCR, our businesses, and the Chambers of Commerce. Together we can, and should, make Riverside the capital of high technology in Inland Southern California.

HOW WE PLAY

How We Play--While Riverside has many sports facilities, the City does not have first class sports complexes or recreational sites, particularly those for tournament competition and outside visitors. Four proposals--first, the 50 plus acres at the Agricultural Park offer an outstanding opportunity to build a first class sports complex. Second, we should take a serious look at converting the Fairmount Golf Course into playing fields. Third, I strongly support the building of an aquatics center that would be a Southern California showplace for swimming and water polo. And fourth, the Santa Ana bike path as well as trailheads along the nine miles in Riverside should be completed, maintained, and celebrated.

A great city must have great arts and culture. Riverside has a remarkable and varied inventory. We are the arts center of the Inland Empire. And even more marquee venues are on the way--RCC's School of the Arts. UCR's Culver Center, and the rehabilitation of the Fox Theater. However, all of Southern California should recognize what we have to offer. As Mayor, I call upon the Riverside Arts Council and the Riverside Cultural Trust to tell the story of Riverside as the city of the arts.

HOW WE LIVE

How We Live--Neighborhoods are the building blocks of a successful city. Riverside has taken many steps to enhance and recognize neighborhoods. The step we have not taken is to strengthen neighborhood governance.

In last year's State of the City, I called for a task force to review where we are and then if appropriate, propose a neighborhood governance approach. In December an outstanding Neighborhood Governance Task Force completed its Report. Thank you to its two cochairs, Dave McNiel and Max Neiman. The Task Force Report recommends that City Hall reach out to our 26 community neighborhoods and incorporate residents and property owners into an effective neighborhood governance process. The Report will be presented to the Council in February.

Other initiatives merit brief comment. 2005 will be the year when the Grier Pavilion on City Hall's 7th Floor Patio will be completed. It will be a welcoming place for community events. More importantly, it will recognize Riverside as an inclusive community and honor those who championed civil rights and diversity in our City. 2005 will be the year when the Gandhi and Eliza Tibbetts memorials will be installed and dedicated on the Downtown Mall. Also noteworthy, the first visible steps in restoring the Evergreen Cemetery will be taken in 2005.

Riverside should be identified and known as a Green Community. We have taken many green steps, such as Keep Riverside Clean & Beautiful's outstanding work and Public Utilities' commitment to 20% green power. We need in 2005 to focus and set priorities for initiatives and programs that will characterize and define the City and its neighborhoods as clean and green.

HOW WE GET AROUND

How We Get Around--In 2005 we need a new approach to transit in Riverside.

Increasing traffic congestion is a fact of life. We cannot build our way out of the problem. Last January, the Council approved a Go Riverside Task Force, with Steve Whyld as its Chair. The Task Force asked nearly 30 stake holders to design a transit system that they would ride. Their Report is nearly completed. I look forward to their recommendations to increase rapid transit choices for the residents of Riverside.

A memo to the City Manager--as we drive the major arterials in Riverside, the most disappointing window is University Avenue. As the link between UCR and the Downtown, it too often presents the worst rather than the best of the City! It is time there is agreement on a game plan and time schedule for the full revitalization of University Avenue.

There are more ways to get around than driving a car or taking a bus. In December, a Walkable Community Task Force, co-chaired by Jim Clover and Mark Williams, was started. We received a \$35,000 grant from Kaiser for support. The work of the Task Force centers on how to make Riverside a walkable community, emphasizing design features, good health, and walking venues.

HOW WE LEARN

How We Learn--There is a close connection between good schools and a great place to live. As Mayor, I applaud our K-12 education offered by Alvord and Riverside Unified School Districts. Kudos to Washington Elementary and its principal Tim Martin for their selection as a national Blue Ribbon School, the only Inland Empire school selected in 2004. Success stories should, however, be told, more effectively and more widely.

Several years ago, the At Home In Riverside Program was a good way to tell success stories to prospective new residents and to local realtors. This partnership requires renewed attention and resources, especially by the two school districts. Equally important, high schools are the signatures of a community, yet great things happening on these campuses are not identified or celebrated. In 2004, we started a Joint Facilities Committee between the City and Alvord and RUSD. As Mayor, I challenge this Committee in 2005 to support At Home in Riverside and to look for ways to tell the story that our high schools are indeed signature statements of achievement and excellence.

Libraries provide communities with diverse resources and services. While some cities such as Salinas are closing all their libraries, Riverside is improving its facilities and increasing our number--good things are happening at Arlington, Casa Blanca, Eastside, La Sierra, and Orange Terrace. 2005 should be the year where we agree on a plan and funding for the Downtown Library--either we expand and remodel the current building or we look for a new downtown site, perhaps in concert with the Museum. It should represent the best of the capital city of the Inland Empire and work to benefit all residents of Riverside.

CONCLUSION

In closing, the spirit and vision of our City has been measured these past few weeks by the unprecedented action by the Council and the extraordinary commitment of so many in their response to the terrible Tsunami disaster, a once in a lifetime cataclysm with a cost of over 220,000 lives and hundreds of thousands homeless.

At its first January meeting, the Council committed a matching potential of \$250,000 to this crisis.

As of noon, the community--its residents, businesses, churches, and groups--have now contributed over \$402,408.18 to this specific challenge. In addition, I know many thousands of dollars have been contributed in other ways and to many charities.

I must thank several for their compassion and generosity. Harvest Christian Fellowship raised over \$150,000. The Altura Credit Union, led by its President Mark Hawkins, contributed \$25,000. In direct response to the City matching challenge, Bob Krieger wrote a \$10,000 check from Krieger and Stewart. Best Best & Krieger made a \$11,000 matching donation. As he has so often done, Hank Coil agreed to chair and lead the business side of the campaign.

Such efforts inspire and mark Riverside as a good and decent community.

It is our time. Riverside has come of age. We are an exciting, diverse, urban, successful, and generous city. As Mayor, I am honored to be a part of it!

Thank you for all your encouragement, friendship, and support--past, present, and future!